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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

SEP 17 2009

KRISTIN K. MAYES - Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

DOCKETED BY

NR

IN THE MATTER OF:

DOCKET NO. S-20569A-07-0702

FERENC ("Frank") J. CSAMPAI and
JANE DOE CSAMPAI, husband and wife,
individually and doing business as GLOBAL
AVIATION FUEL SYSTEMS

DECISION NO. 71280

and

ROBERT N. NEKLEWICZ AKA ROBERT NEIL
STOCK (CRD# 8984776) and
JANE DOE NEKLEWICZ, husband and wife,
individually and doing business as GLOBAL
AVIATION FUEL SYSTEMS,

OPINION AND ORDER

Respondents.

DATES OF PRE-HEARING CONFERENCES: February 27 and May 29, 2008

DATE OF HEARING: July 15, 2008

PLACE OF HEARING: Phoenix, Arizona

ADMINISTRATIVE LAW JUDGE: Marc E. Stern

APPEARANCES: Robert N. Neklewicz, *In Propria Persona*; and

Ms. Wendy Coy, Senior Counsel, Securities
Division, on behalf of the Arizona Corporation
Commission

BY THE COMMISSION:

On December 27, 2007, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Temporary Order to Cease and Desist ("T.O.") and a Notice of Opportunity for Hearing ("Notice") against Ferenc J. Csampai and Jane Doe Csampai, husband and wife, individually and d/b/a Global Aviation Fuel Systems ("GAFS") and Robert N. Neklewicz a/k/a Robert Neil Stock and Jane Doe Neklewicz, husband and wife, individually and d/b/a GAFS (collectively "Respondents"), in which the Division alleged that the Respondents committed multiple

1 violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in
2 the form of investment contracts.

3 Respondents were duly served with copies of the Notice.

4 On February 4, 2008, Respondent, Robert N. Neklewicz, filed a request for hearing and his
5 Answer.

6 On February 6, 2008, by Procedural Order, a pre-hearing conference was scheduled for
7 February 27, 2008.

8 On February 27, 2008, the Division appeared through counsel. Mr. Neklewicz appeared
9 telephonically on his own behalf. Issues concerning the case were discussed along with future
10 scheduling matters. The Division and Mr. Neklewicz agreed to the scheduling of a hearing.

11 On February 29, 2008, by Procedural Order, a hearing was scheduled on May 20, 2008.

12 On March 5, 2008, a request for hearing and Answer, both of which were unsigned, were filed
13 by Respondent, Ferenc J. Csampai.

14 On March 10, 2008, by Procedural Order, a pre-hearing conference was scheduled on March
15 25, 2008, in response to the Mr. Csampai's request for hearing.

16 On March 24, 2008, the Division filed a request for a continuance of the hearing which was
17 scheduled to commence on May 20, 2008, due to the unavailability of its only witness. During a
18 teleconference later that day with the Division's counsel and Respondent Neklewicz, it was disclosed
19 that Respondent Csampai was undergoing chemotherapy and would be unavailable for the pre-
20 hearing conference scheduled on March 25, 2008. Subsequently, by Procedural Order, the pre-
21 hearing conference was continued to May 29, 2008. It was further ordered that the hearing scheduled
22 for May 20, 2008, be continued to July 15, 2008.

23 On May 29, 2008, neither Mr. Csampai nor Mr. Neklewicz entered an appearance at the pre-
24 hearing conference. The Division appeared with counsel. After a brief discussion, the proceeding
25 was recessed.

26 On July 15, 2008, a full public hearing was commenced before a duly authorized
27 Administrative Law Judge of the Commission at its offices in Phoenix, Arizona. Mr. Neklewicz was
28 present on his own behalf, but Mr. Csampai did not appear. The Division was present with counsel.

1 At the outset, the Division indicated that it had reached an agreement with Mr. Neklewicz and would
 2 be filing a Consent Order for the Commission's approval.¹ At the Division's request, the proceeding
 3 was recessed and resumed later in the day for the presentation of evidence. When the proceeding
 4 resumed, Mr. Csampai again did not appear and the Division was present with counsel. Following
 5 the conclusion of the hearing, the matter was taken under advisement pending submission of a
 6 Recommended Opinion and Order to the Commission.

7 * * * * *

8 Having considered the entire record herein and being fully advised in the premises, the
 9 Commission finds, concludes, and orders that:

10 FINDINGS OF FACT

11 1. Ferenc ("Frank") J. Csampai is an individual residing in Las Vegas, Nevada and at all
 12 relevant times was the director of maintenance for GAFS.

13 2. At all relevant times, Mr. Csampai was unmarried.

14 3. Although Mr. Csampai had requested a hearing, he neither appeared nor presented any
 15 evidence at the hearing in this proceeding.

16 4. In support of the allegations raised in the T.O. and Notice with respect to Mr.
 17 Csampai's alleged violations of the Securities Act, the Division called only one witness, Mr. Michael
 18 Rice, a special investigator for the Division.

19 5. Based on the Commission's records, Mr. Csampai was not registered as a securities
 20 salesman or dealer in Arizona and the investment contracts in the GAFS offering had not been
 21 registered as a security for sale to investors.

22 6. Mr. Rice testified concerning the procedure utilized by the Division to review ads in
 23 newspapers and on the internet for investment opportunities and that, as a result, the offering by Mr.
 24 Csampai and Mr. Neklewicz involving GAFS had been assigned to him for further investigation
 25 resulting in the T.O. and Notice which were issued by the Commission on December 27, 2007.
 26 (Tr. at p. 8)

27
 28 ¹ On August 21, 2008, the Commission issued Decision No. 70467 which was a Consent Order with respect to
 Respondent, Robert N. Neklewicz.

1 7. Based on the Division's investigation, from October 2007 through December 2007,
2 Mr. Csampai had been involved in the offer of an investment to members of the public by means of
3 advertising on "Craig's List/Phoenix" ("Craig's List") on the internet. In the offering materials for
4 GAFS, Mr. Csampai's and Mr. Neklewicz's names were prominently featured representing that
5 investors were guaranteed a 20 percent rate of return, but could more likely earn a 40 to 60 percent
6 return on their investment with no risk. (Ex. S-2)

7 8. According to Mr. Rice, the offering in which Mr. Csampai was involved required
8 minimum investments of \$10,000 with a maximum of up to \$100,000 in order to provide capital for
9 GAFS to increase its parts inventory, primarily rebuilt Boeing fuel pumps, for Boeing 737 jet
10 airliners, that GAFS reconditioned and would then resell to their "contacts around the world."
11 (Tr. at p. 12) (Ex. S-2)

12 9. Promotional materials for the offering outlined a scenario whereby a minimum
13 \$10,000 investment could produce a \$2,000 profit plus a return of principal in as little as 12 months.

14 10. During Mr. Rice's investigation, he contacted and spoke with Mr. Neklewicz about the
15 offering and was told that GAFS was a Federal Aviation Administration ("FAA") certified repair
16 station for jet fuel pumps.² (Tr. at p. 19)

17 11. In a promotional document received from the Respondents, a document captioned
18 "Boeing Fuel Pump Inventory Investment Program" displayed GAFS', Mr. Csampai's and Mr.
19 Neklewicz's names in bold print at the top of the first page. (Ex. S-4)

20 12. GAFS promotional materials downloaded from the internet featured Mr. Csampai as a
21 member of "key personnel" where he was listed as the Director of Maintenance. (Ex. S-4)

22 13. According to Mr. Rice, Mr. Csampai's name was included in offering materials
23 because it was intended that he distribute the materials to friends and family members. (Tr. at p. 16)

24 14. Mr. Rice testified that there were no investors in this offering which was discovered as
25 a result of a proactive investigation by the Division. (Tr. at p. 21)

26 15. Under the circumstances, we believe that the Division has established by a
27

28 ² Subsequently, Mr. Rice confirmed that GAFS was licensed by the FAA to overhaul jet fuel pumps.

1 preponderance of the evidence that Mr. Csampai violated the Act in the offer of a security which was
2 neither registered nor exempt from registration and he acted as an unregistered salesman or dealer.

3 **CONCLUSIONS OF LAW**

4 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
5 Arizona Constitution and A.R.S. § 44-1801, *et seq.*

6 2. The investment in the form of investment contracts offered by Mr. Csampai were
7 securities within the meaning of A.R.S. § 44-1801.

8 3. The securities were neither registered nor exempt from registration, in violation of
9 A.R.S. § 44-1841.

10 4. Respondent Ferenc J. Csampai acted as a dealer and/or salesman within the meaning
11 of A.R.S. § 44-1801(9) and (22).

12 5. The actions and conduct of Respondent Ferenc J. Csampai constitute the offer of
13 securities within the meaning of A.R.S. § 44-1801(15).

14 6. Respondent Ferenc J. Csampai offered unregistered securities for sale within or from
15 Arizona in violation of A.R.S. § 44-1841.

16 7. Respondent Ferenc J. Csampai offered securities for sale within or from Arizona
17 without being registered as a dealer and/or salesman in violation of A.R.S. § 44-1842.

18 8. Respondent Ferenc J. Csampai violated the Act and should cease and desist pursuant
19 to A.R.S. § 44-2032 from any future violation of A.R.S. §§ 44-1841 and 44-1842 and all other
20 provisions of the Act.

21 9. The actions and conduct of Respondent Ferenc J. Csampai constitute multiple
22 violations of the Act and are grounds for an Order for administrative penalties pursuant to
23 A.R.S. § 44-2036.

24 **ORDER**

25 IT IS THEREFORE ORDERED that pursuant to the authority granted to the Commission
26 under A.R.S. § 44-2032, Respondent Ferenc J. Csampai shall cease and desist from his actions
27 described hereinabove in violation of A.R.S. §§ 44-1841 and 44-1842.
28

1 IT IS FURTHER ORDERED that pursuant to the authority granted to the Commission under
2 A.R.S. § 44-2036, Respondent Ferenc J. Csampai shall pay an administrative penalty for the violation
3 of A.R.S. § 44-1841, the sum of \$1,250 and for the violation of A.R.S. § 44-1842, the sum of \$1,250
4 for a total of \$2,500.

5 IT IS FURTHER ORDERED that pursuant to the authority granted to the Commission under
6 A.R.S. § 44-2036, that Respondent Ferenc J. Csampai shall pay the administrative penalty ordered
7 hereinabove in the amount of \$2,500 payable by either cashier's check or money order payable to
8 "the State of Arizona" and presented to the Arizona Corporation Commission for deposit in the
9 General Fund for the State of Arizona.

10 IT IS FURTHER ORDERED that if Respondent Ferenc J. Csampai fails to pay the
11 administrative penalty ordered hereinabove, any outstanding balance plus interest at the maximum
12 level amount may be deemed in default and shall be immediately due and payable, without further
13 notice.

14 IT IS FURTHER ORDERED that if Respondent Ferenc J. Csampai fails to comply with this
15 Order, any outstanding balance shall be in default and shall be immediately due and payable without
16 notice or demand. The acceptance of any partial or late payment by the Commission is not a waiver
17 of default by the Commission.

18 IT IS FURTHER ORDERED that default shall render Respondent Ferenc J. Csampai liable to
19 the Commission for its cost of collection and interest at the maximum legal rate.

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1 IT IS FURTHER ORDERED that if Respondent Ferenc J. Csampai fails to comply with this
 2 Order, the Commission may bring further legal proceedings against the Respondent including
 3 application to the Superior Court for an Order of Contempt.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

6
 7
 8 CHAIRMAN

COMMISSIONER

9
 10 COMMISSIONER

COMMISSIONER

COMMISSIONER

11 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
 12 Executive Director of the Arizona Corporation Commission,
 13 have hereunto set my hand and caused the official seal of the
 14 Commission to be affixed at the Capitol, in the City of Phoenix,
 15 this 17th day of Sept, 2009.

16
 17 ERNEST G. JOHNSON
 18 EXECUTIVE DIRECTOR

19 DISSENT _____

20
 21 DISSENT _____

22 MES:db

SERVICE LIST FOR:

FERENC ("FRANK") J. CSAMPAI AND JANE DOE
CSAMPAI, HUSBAND AND WIFE, INDIVIDUALLY
AND DOING BUSINESS AS GLOBAL AVIATION
FUEL SYSTEMS AND ROBERT N. NEKLEWICZ AKA
ROBERT NEIL STOCK (CRD# 8984776) AND JANE
DOE NEKLEWICZ, HUSBAND AND WIFE,
INDIVIDUALLY AND DOING BUSINESS AS
GLOBAL AVIATION FUEL SYSTEMS

DOCKET NO.:

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c/o GLOBAL AVIATION FUEL SYSTEMS
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